

## Message Text

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67

ACTION OPIC-12

INFO OCT-01 ARA-11 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 TRSE-00 XMB-07 CIEP-02 LAB-06

SIL-01 OMB-01 L-03 IGA-02 /089 W

----- 120914

R 032230 Z JUL 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 4762

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E. O. 11652: GDS

TAGS: EIND, CI

SUBJ: STANDARD ELECTRIC TAKE OVER

PASS OPIC AND EXIM

REF: SANTIAGO 2883

1. ITT- OWNED STANDARD ELECTRIC GEN. MGR., MIGUEL CARAM, TOLD EMBASSY THAT BOTH HEADS OF HIS FACTORY'S UNIONS INFORMED HIM AT 1100 HOURS JUNE 29 ( TWO HOURS AFTER MONEDA FIRST FIRED ON) THAT THE CENTRAL UNICA DE TRABAJADORES ( CUT) HAD ORDERED THEM TO TAKE OVER FACTORY " IN VIEW OF DANGER OF COLLAPSE OF ALLENDE GOVERNMENT." WORKERS WERE APOLOGETIC AND VAGUE ABOUT PLANT'S CONTINUING OPERATIONS AND LOCUS OF RESPONSIBILITY. CARAM SAID FACTORY VITUALLY EMPTY BY 1400 HOURS EXCEPT FOR FIRST SHIFT OF TWENTY- FOUR HOUR WORKERS' GUARD WHICH HAD BEEN ORDERED BY CUT.

2. HEADS OF UNIONS TOLD CARAM JULY 1 THAT CUT HAD DETERMINED THAT STANDARD ELECTRIC WAS ONE OF SEVEN FIRMS IN VICUNA MACKENNA INDUSTRIAL SECTOR ORDERED FOR IMMEDIATE REMOVAL INTO " SOCIAL AREA." ON JULY 2 UNIONS INVITED CARAM AND COL. ARAOS, INTERVENTOR OF LIMITED OFFICIAL USE

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CHILEAN TELEPHONE COMPANY ( CHITELCO), TO MEET WITH THEM AND CORFO OFFICIALS " TO ANALYZE STANDARD ELECTRIC SITUATION AND FUTURE." DECLARATION ATTACHED TO INVITATION SAID, INTERALIA, THAT UNIONS HAD INFORMED CUT THEY DID NOT AGREE THAT STANDARD ELECTRIC SHOULD PASS INTO SOCIAL AREA BUT RATHER WANTED IT MADE A MIXED COMPANY WITH STANDARD ELECTRIC ( SPAIN), GOC AND WORKERS SHARING MANAGEMENT RESPONSIBILITY. FURTHER STATED THAT DURING NEGOTIATIONS FACTORY MANAGEMENT DECISIONS WOULD BE MADE BY UNION PRESIDENTS AND CARAM AND THAT ONCE WORKERS ASPERATIONS " CLARIFIED AND SATISFIED", WORKERS WOULD IMMEDIATELY TURN OVER CONTROL OF COMPANY " TO WHOMEVER IT BELONGS."

3. CARAM SAID THAT JULY 2 MEETING EXTREMELY VAGUE. GOC OFFICIALS AND UNION PRESIDENTS HIGHLIGHTED DIFFICULTY OF TURNING ITT PROPERTY BACK TO ITT CONTROL. CARAM POINTED OUT HE UNABLE TO NEGOTIATE ACTION TAKEN BY WORKERS, WHICH WAS WHOLLY POLITICAL IN NATURE, AND THAT HE FURTHER UNABLE TO GUARANTEE CONTINUED DELIVERY COMMUNICATION EQUIPMENT TO CHITELCO OR MILITARY AS LONG AS FACTORY IN HANDS OF WORKERS. COL. ARAOS WAS APPARENTLY ALARMED OVER POSSIBLE DELIVERY DELAYS AND PHONED UNIDENTIFIED GENERAL IN MILITARY COMMUNICATIONS DIVISION AND COMMANDER OF SANTIAGO EMERGENCY ZONE ( SEPULVEDA) TO URGE QUICK RESOLUTION OF TAKEOVER.

4. CARAM SAID THAT FACTORY PRESENTLY WORKING AT TEN PERCENT OF CAPACITY. ONLY EVIDENCE OF WORKER CONTROL CONTINUES TO BE GATE CHECK OF PERSONNEL FOR WEAPONS AND TWENTY- FOUR HOUR GUARD BY WORKER S' VIGILANCE COMMITTEE. CARAM WORRIED, HOWEVER, THAT SUPERVISORY PERSONNEL AND OTHER EMPLOYEES AGAINST TAKEOVER MAY OBJECT TO EVEN THESE INTRUSIONS AND THUS FORCE CONFRONTATION.  
DAVIS

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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